

# INSTRUCTIONS FOR COMPLETION OF FORM ACF-696T

## Financial Reporting Form for the Child Care and Development Fund Tribal Grantees

**NOTE: "THE PAPERWORK REDUCTION ACT OF 1995"**

Public reporting for this collection of information is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

All Tribal grantees are required to complete and submit this report in accordance with these instructions on behalf of the Tribal Lead Agency administering the Child Care and Development Fund (CCDF).

### Definition

**Child Care and Development Fund (CCDF):**

Child care programs conducted under the provisions of the Child Care and Development Block Grant Act, as amended. For Tribal grantees, the fund consists of Discretionary funds authorized under section 658B of the amended Act, and Tribal Mandatory funds appropriated under section 418 of the Social Security Act.

**Due Dates:** This form must be received annually by the Administration for Children and Families (ACF) on or before December 29.

**Submission:** The original copy (with original signatures) must be submitted to:

The Administration for Children and Families  
Office of Administration  
Division of Mandatory Grants  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447

An additional copy must be submitted to the ACF Regional Office. (See attachment for list of addresses).

## **Identifying Information**

At the top of the form, enter identifying information, as described below.

**Tribe.** Enter Tribe's Name.

**Fiscal Year Grant Was Awarded.** Enter the fiscal year of the grant for which this report is being submitted. This fiscal year indicates the year in which the funds were awarded--not necessarily the year in which they were expended. The fiscal year for a grant award can be found at the top of the Notice of Grant Award received from the Administration for Children and Families and is also displayed in the second and third positions of the grant's document number.

**Interim/Final.** Check the appropriate box ("interim" or "final") to indicate whether the report for a given fiscal year is an interim or final report. An interim report is submitted if the Tribal grantee has not yet expended all funds for a given fiscal year. A final report is submitted once all funds for a given fiscal year have been expended.

**Tribal grantees must submit separate annual reports for each fiscal year in which CCDF funds were awarded. Tribes have to submit interim cumulative reports annually until all funds that were awarded in a given fiscal year have been liquidated. Since CCDF funds are available for use in more than one fiscal year, a Tribe may have to submit more than one ACF-696T financial reporting form each year.**

For example, if a Tribe has received FY 2001, FY 2002 and FY 2003 funds, annual reports would be due as follows:

First interim FY 2001 report was due on or before 12/29/2001

Second interim FY 2001 report was due on or before 12/29/2002

Final FY 2001 report is due on or before 12/29/2003 \*

First interim FY 2002 report was due on or before 12/29/2002

Second interim FY 2002 report is due on or before 12/29/2003 \*

Final FY 2002 report is due on or before 12/29/2004

First interim FY 2003 report is due on or before 12/29/2003 \*

Second interim FY 2003 report is due on or before 12/29/2004

Final FY 2003 report is due on or before 12/29/2005

\* The Tribe may be submitting three reports in FY 2003--a final report for FY 2001 funding, an interim report for FY 2002 funding, and an interim report for FY 2003 funding.

## Definition

### **Obligation and Liquidation:**

Generally speaking, an *obligation* is an action that commits the funds, such as a legally-binding agreement (e.g., contract or subgrant) between two parties for purchase of services, supplies or equipment.

*Liquidation* generally means the payment of funds to a third party as a result of an obligation.

More specifically, determination of whether funds have been obligated and liquidated will be based on applicable tribal, State or local law. If there is no applicable tribal, State or local law, then definitions at 45 CFR 92.3 apply (as described further in the last paragraph of this box).

Depending on applicable law, obligations may include subgrants or contracts that require the payment of funds to a third party (e.g., subgrantee or contractor). However, the following are not considered third party grantees or contractors: (1) a local office of the Lead Agency; (2) another entity at the same level of government as the Lead Agency; or (3) a local office of another entity at the same level of government as the Lead Agency.

Funds for CCDF services provided through a child care certificate or voucher will be considered obligated when a written certificate/voucher is issued to a family that indicates: (1) the amount of funds that will be paid to a child care provider or family, and (2) the specific length of time covered by the certificate/voucher, which is limited to the date established for redetermination of the family's eligibility, but shall be no later than the end of the liquidation period.

In cases where tribal, State or local law does not apply, 45 CFR 92.3 defines:

*Obligations* as the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period; and

*Liquidations* (or outlays/expenditures) as charges made to the project or program. For reports prepared on a cash basis, liquidations are the sum of actual cash disbursement for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the amount of cash advances and payments made to contractors and subgrantees. For reports prepared on an accrued expenditure basis, liquidations are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of in-kind contributions applied, and the new increase (or decrease) in the amounts owed by the grantee for goods and other property received, for services performed by employees, contractors, subgrantees, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments.

*Obligation and Liquidation Timeframes.* Tribal grantees have two years to obligate Tribal Mandatory and Discretionary funds and an additional year to liquidate. For example, Tribes have until 9/30/2003 to obligate Tribal Mandatory and Discretionary funds awarded in FY 2002 (10/1/01 to 9/30/02). Those funds must be liquidated by 9/30/2004.

There are different obligation/liquidation requirements for funds in the grant award for construction and renovation--three years to liquidate with no separate obligation requirement. The liquidation timeframe begins with the date that funds are originally awarded—not the date

that funds are transferred to the separate grant award for construction and renovation. Therefore, funds awarded and then transferred to construction and renovation in FY 2002 must be liquidated by 9/30/2004. (Funds cannot be moved to construction/renovation after the end of the fiscal year in which they were awarded).

Any FY 2002 funds not liquidated by 9/30/2004 would revert to the Federal government.

**Grant Doc. #s.** Enter the Grant Document Number(s). The Grant Document Number is found on the Grant Award Document under the heading "Document Number". If multiple grant awards are issued in a fiscal year (e.g., construction and renovation), please enter all relevant numbers.

**Submission: Original/Revised.** Check the appropriate box ("original" or "revised") to indicate whether this is a new (original) report or a revision of a report previously submitted for the same fiscal year grant and expenditure period.

### **Rounding Instructions**

Round all entries to the nearest dollar. **Omit cents.** If 50 cents or more round up to the nearest dollar. If 49 cents or less round down to the nearest dollar.

### **Cumulative Fiscal Year Totals**

All amounts reported must reflect expenditures of Federal CCDF funds made under the Tribe's approved CCDF plan and in accordance with all applicable statutes and regulations. Do not include tribal, local, private, or other funds.

Tribes should report amounts on a cumulative basis. For example, for funds awarded in FY 2003, the first interim report is due by 12/29/2003, the second interim report is due by 12/29/2004, and the third and final report is due by 12/29/2005. Amounts reported in the second and third reports should reflect expenditures to date, including any expenditures that were included in the earlier report(s).

### **Columns**

**Column (A). Tribal Mandatory Funds.** Amounts reported in this column relate to CCDF Tribal Mandatory Funds provided under section 418 of the Social Security Act.

#### **Definition**

#### **Tribal Mandatory Funds:**

Child care funds set aside at section 418(a)(4) of the Social Security Act. The funds consist of two percent of the aggregate Mandatory and Matching child care funds reserved by the Secretary in each fiscal year for

payments to Indian Tribes and tribal organizations.

**Column (B). Discretionary Funds.** Amounts reported in this column relate to CCDF Tribal Discretionary Funds provided under the Child Care and Development Block Grant Act, not including the base amount which is reported separately in Column (C).

**Definition**

**Discretionary Funds:**

Child care funds authorized under section 658B of the Child Care and Development Block Grant Act. The Discretionary funds were formerly referred to as the Child Care and Development Block Grant. The Secretary reserves two percent of total Discretionary Funds in each fiscal year for grants to Indian Tribes and tribal organizations.

Although Tribes receive CCDF Federal funds from two different sources (i.e., Tribal Mandatory and Discretionary), both Tribal Mandatory and Discretionary Funds may be expended for the same purposes--child care services, child care administration, non-direct services, quality activities, and (subject to ACF approval) construction and renovation. Expenditures are subject to certain limitations and requirements that are described below in the line-by-line instructions.

**Column (C). Discretionary Funds Base Amount.** Amounts reported in this column relate to the Discretionary base amount.

**Definition**

**Discretionary Funds Base Amount:**

Tribal grants from Discretionary Funds include a base amount of \$20,000 for individual Tribes (not part of a consortium). Grantees representing a consortium of Tribes receive \$20,000 for each consortium member (or a pro-rated amount for members with fewer than 50 children). The base amount may be used for any activity consistent with the purposes of CCDF, including the administrative costs of implementing a child care program (and is not subject to the 15 percent administrative cost limitation).

**Column (D). Construction and Renovation Tribal Mandatory.** Amounts reported in this column relate to funds transferred from the Tribal Mandatory Funds grant award to a separate grant award for construction/renovation.

**Column (E). Construction and Renovation Discretionary.** Amounts reported in this column relate to funds transferred from the Discretionary Funds grant award to a separate grant award for construction/renovation.

**Note:** A Tribal grantee must request and receive ACF approval prior to using funds for construction and renovation that are reported in Columns (D) and (E).

### **Lines**

**Line 1. Federal Funds Awarded.** Enter in Columns (A), (B) and (C) the total amount of Federal funds awarded for each Columnar category for the fiscal year for which the report is being submitted. No entry should be made in Columns (D) and (E). For example, Line 1 Column (A), should be the total amount of Federal Tribal Mandatory funds issued to the Tribe for the fiscal year for which the report is submitted. The amount of funds awarded is indicated on the Notice of Grant Award received from the Administration for Children and Families.

**Line 2. Transfer to Construction/Renovation.** Enter in Columns (A), (B) and (C) the total amount of Federal funds transferred to the construction/renovation grant award for each Columnar category from the fiscal year's grant for which the report is being submitted. No entry should be made in Columns (D) and (E). For example, Line 2 Column (A), should contain the total amount of Federal Tribal Mandatory funds transferred to construction/renovation from the fiscal year's grant for which the report is submitted. The amount of funds transferred to construction/renovation is indicated on a separate construction/renovation Notice of Grant Award received from the Administration for Children and Families.

The amounts reported on Line 2 are the amounts that have been transferred to the separate grant award for construction/ renovation--not amounts that have actually been expended for construction/renovation. Amounts expended for construction/ renovation are reported on Line 8.

Once funds are transferred to construction/renovation, those funds remain there but, upon ACF approval (in accordance with ACYF-PI-CC-01-01), may be used for other child care activities. Please note that if the Tribe subsequently requests that construction/renovation funds be used for other child care activities, these funds will still be reported in columns (D) and (E).

**Line 3. Total Funds Available.** Enter in Columns (A), (B), (C), (D) and (E) the total amount of Federal funds available for each Columnar category from the fiscal year's grant for which the report is being submitted. For each of the columns A, B, and C, line 3 is equal to line 1 minus line 2. The amounts reported on line 3 should be equal to the funding amounts for

Tribal Mandatory Funds and Discretionary Funds contained on the revised Notice of Grant Award(s) issued after the transfer of funds to the separate grant award for construction/renovation.

For example, Line 3 Column (A) should contain the total amount of Federal Tribal Mandatory funds issued to the Tribe for the fiscal year for which the report is submitted less the amount transferred to construction/renovation. Column (D) Line 3 will be equal to the amount entered in Line 2(A); Column (E) Line 3 will be equal to the total of the amounts entered on Lines 2(B) and 2(C).

#### **Lines 4 through 7**

**If a Tribal grantee requests and receives approval to use construction/renovation funds for CCDF activities other than construction/renovation, those funds are not moved back to either the Tribal Mandatory or Discretionary fund. While the funds remain in the separate grant award for construction/renovation, the Tribal grantee can use the funds for CCDF activities other than construction/renovation after requesting and receiving ACF approval.**

**For Columns (D) and (E), a Tribal grantee should not enter data on Lines 4 through 7 unless the Tribe has requested and received approval to spend construction/renovation funds on CCDF activities other than construction or renovation. If, however, a request has been made and approved, Lines 4 through 7, Columns (D) and (E) are left "open" for data entry to provide the Tribal grantees with the ability to categorically track construction/renovation funds that have been approved for use on other CCDF activities.**

**Line 4. Expenditures for Child Care Services.** Enter in Columns (A), (B), (C), (D) and (E) Federal expenditures made for child care services from the fiscal year's grant for which the report is being submitted. Child care services may be provided through grants or contracts for child care slots, certificates (or vouchers), or tribally-operated centers.

**Line 5. Expenditures for Child Care Administration.** Enter in Columns (A), (B), (C), (D) and (E) Federal expenditures made for child care administration from the fiscal year's grant for which the report is being submitted.

#### **Definition**

##### **Child Care Administration:**

As listed in the regulation at 45 CFR 98.52, examples of administrative activities include, but are not limited to:

- planning, developing, and designing the CCDF program;
- providing local officials and the public with information about the program, including the conduct of public hearings;
- preparing the application and Plan;

- developing agreements with administering agencies in order to carry out program activities;
- monitoring program activities for compliance with program requirements;
- preparing reports and other documents related to the program for submission to the U.S. Department of Health and Human Services;
- maintaining substantiated complaint files;
- coordinating the provision of CCDF services with other Federal, State, and local child care, early childhood development programs, and before- and after-school care programs;
- coordinating the resolution of audit and monitoring findings;
- evaluating program results; and
- managing or supervising persons with responsibilities for the activities described above.

The 15 percent administrative cost limitation applies to the aggregate total of CCDF funds expended, including amounts for construction and renovation but not including the base amount.

At the end of the liquidation period, the sum of Columns (A), (B), (D) and (E) on Line 5 cannot exceed 15 percent of the sum of Columns (A), (B), (D), and (E) on Line 3. The 15 percent limit is calculated on the total of Columns (A), (B), (D) and (E). The 15 percent limit does not apply separately to each individual Column. Column (C) is not included in this calculation. The base amount of the Discretionary Funds is not subject to the administrative cost limitation.

Many Federal programs permit Indian Tribes and tribal organizations to apply an indirect cost rate to account for administrative costs that cannot be easily charged to a specific program (e.g., accounting and personnel services). An indirect cost rate is arrived at through negotiation between an Indian Tribe or tribal organization and the appropriate Federal agency.

Indirect costs, as determined by an indirect cost agreement, are an allowable expense for tribal grantees under CCDF and, if expended, should be reported on Line 5. However, regardless of a Tribe's negotiated indirect cost rate, CCDF administrative costs cannot exceed the 15 percent administrative cost limit.

**Line 6. Expenditures for Non-Direct Services.** Enter in Columns (A), (B), (C), (D) and (E) Federal expenditures made for child care non-direct services from the fiscal year's grant for which the report is being submitted. Non-direct services are child care services provided that are not direct services to families (which are reported on Line 4) and are not considered administrative costs under the definition at 45 CFR 98.52 (which are reported on Line 5). Non-direct service expenditures reported on line 6 are not considered administrative costs and therefore do not count towards the 15 percent administrative cost limit.

#### **Definition**

##### **Non-Direct Services:**

Non-direct services are child care services provided that are not direct services to families but that are not considered administrative costs under the definition at 45 CFR 98.52. Non-direct services include:



- establishing and operating a certificate program;
- eligibility determination and redetermination;
- the establishment and maintenance of computerized child care information systems;
- preparation and participation in judicial hearings;
- child care placement;
- recruitment, licensing, inspection, reviews and supervision of child care placements;
- rate setting; and
- training of child care staff.

Non-direct services are not the same as indirect costs. Indirect costs are administrative costs that cannot be easily allocated to a specific program, and are reported on Line 5.

**Line 7. Expenditures for Quality Activities.** Enter in Columns (A), (B), (C), (D) and (E) the Federal expenditures for quality activities from the fiscal year's grant for which the report is being submitted.

#### **Definition**

##### **Quality Activities:**

Quality activities are designed to improve the quality and availability of child care. Examples of quality activities include, but are not limited to:

- activities designed to provide consumer education to parents and to the public;
- activities that increase parental choice; and
- activities designed to improve the overall quality and availability of child care (such as resource and referral services, grants and loans to child care providers, monitoring compliance with health and safety requirements, and professional development initiatives).

For additional examples of quality improvement activities, see 45 CFR 98.51. A non-exempt Tribe that receives CCDF funds shall use not less than four percent of the amount of such funds (the total of Tribal Mandatory and Discretionary, not including the Discretionary base amount) for quality activities. The four percent requirement applies to funds expended, rather than the total of funds available.

Both exempt and non-exempt Tribes must complete Line 7. For non-exempt Tribal grantees only: At the end of the liquidation period, no less than four percent of the sum of the amounts in Columns (A), (B), (D), and (E) on Line 3 must be claimed for this activity. Note: Column (C) is not included in this calculation because the base amount of the Discretionary Funds is not subject to the quality activity requirement. The four percent minimum does not apply separately to each individual Column. Tribal grantees with total CCDF allocations less than \$500,000 in a fiscal year will be considered exempt. Tribal grantees with allocations equal to or greater than \$500,000 are non-exempt. Exempt Tribal grantees are encouraged, but not required, to spend funds for quality activities.

The Department of Health and Human Services appropriations law for FY 2003 stipulated that a portion of CCDF Discretionary Funds be used (or earmarked) for child care resource and referral and school-aged child care activities. If a Tribe uses CCDF funds for quality improvement activities to satisfy this earmark requirement, the Tribe should report these expenditures on Line 7.

**Line 8. Expenditures for Construction/Renovation.** Enter in Columns (D) and (E) the Federal expenditures for construction/ renovation from the fiscal year's grant for which the report is being submitted. Only Columns (D) and (E) are completed. No entry is required in Columns (A), (B) and (C).

Note: CCDF funds cannot be spent for construction or major renovation until a Tribe has applied for and received approval from the Administration for Children and Families.

**Line 9. Total Federal Expenditures.** Enter in Columns (A), (B), (C), (D) and (E) the total amount of Federal funds expended from the fiscal year's grant for which the report is being submitted.

Line 9 is equal to Line 4 + Line 5 + Line 6 + Line 7 + Line 8.

**Line 10. Federal Share of Unliquidated Obligations.** Enter in Columns (A), (B), (C), (D) and (E) the total amount of obligated Federal funds that have not been liquidated from the fiscal year's grant being reported. See page 2 of the instructions for a description of obligation and liquidation timeframes.

**Line 11. Total Federal Unobligated Balance.** Enter in Columns (A), (B), (C), (D) and (E) the unobligated balance for the fiscal year's grant for which the report is being submitted. See page 2 of the instructions for a description of obligation and liquidation timeframes.

Line 11 is equal to Line 3 minus ( Line 9 + Line 10 ).

Line 3 is equal to Line 9 + Line 10 + Line 11.

### **Reallotted Funds**

Any portion of a Tribe's allotment of Discretionary Funds that is not required to carry out its plan, in the period for which the allotment is made available, shall be reallotted to other tribal grantees in proportion to their original allotments. By April 1 of each year, Tribal grantees are required to report in a letter to ACF the dollar amount from the previous year's grant that it will be unable to obligate by the end of the obligation period (i.e., by September 30).

Based on these reallotment reports, ACF will issue a negative Discretionary grant award to the Tribe based on the amount submitted in the letter and those Discretionary Funds will be reallotted. If the total amount available for reallotment from all Tribal grantees is \$25,000 or

more, funds will be reallocated to other Tribal grantees. If the total available is less than \$25,000, no reallocation will take place, and funds will revert to the Federal government. If an individual reallocation amount to a Tribe is less than \$500, the reallocation award will not be issued to that Tribe. If a Tribe does not submit a reallocation report by the April 1st deadline, a determination will be made that the Tribe does not have funds available for reallocation. In the case of a report received after April 1st, any funds reported to be available for reallocation shall revert to the Federal government.

On the space provided on the form, check whether or not the Tribe would like to receive its proportional share of reallocated Discretionary Funds that may become available in the second fiscal year of a given grant period. **Please Note:** If the ACF-696T reports are not received within 90 days after the end of the fiscal year (12/29), the Tribe **will not** be eligible for reallocated Discretionary Funds. **This portion of the form is simply a vehicle for Tribal grantees to request reallocated funds, if they become available. This form is not used to report funds that the Tribe will be unable to obligate; these amounts must be reported in a letter prior to April 1, as described above.**

### **Signatures**

This report must be signed by an official representing the Tribal grantee and dated in the space provided, including the title, agency and phone number of the individual whose signature is shown.

**Note:** The individual who signs this report is certifying that: (a) the information provided on all parts of this form and all accompanying documents is accurate and correct, and (b) the Tribal Lead Agency has expended required funds in accordance with the earmark for child care resource and referral and school-age care activities.